



Natural Resources Conservation Service

655 Parfet Street
Lakewood, CO 80215



Farm Service Agency

VIA ELECTRONIC MAIL

JOINT AGENCY ANNOUNCEMENT

TO: All Colorado Farm Service Agency (FSA) Offices
All Colorado Natural Resources Conservation Service
(NRCS) Offices
January 7, 2010

SUBJECT: Announcement of 2010 Grassland Reserve Program (GRP)

ACTION REQUIRED BY: February 26, 2010; March 5, 2010; and March 10, 2010

A cut-off date for GRP applications in Colorado has been established: **February 26, 2010.**

This deadline applies to both applications submitted by landowners for easements or rental contracts and those submitted by eligible entities (e.g., land trusts) on behalf of landowners for easement participation. Entity applications will be submitted directly to Gary Finstad, NRCS Easements Coordinator. (A separate announcement is going out to the Colorado land conservation community.)

GRP is a voluntary program offering landowners the opportunity to protect, restore, and enhance grasslands on their property. Section 2403 of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) reauthorized GRP. The program emphasizes support for working grazing operations, enhancement of plant and animal biodiversity, and protection of grasslands that are under threat of conversion to cropping, urban development, and other activities. Participants voluntarily limit future development of the land, while retaining the right to conduct common grazing practices and operations using rental contracts and conservation easements. Priority enrollment consideration will be given to Conservation Reserve Program (CRP) contracts that are within 12 months of expiration.

GRP is jointly administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS). (The USDA Forest Service also has a role in holding easements on land adjacent to National Forests, at its discretion.)

The program has two enrollment options: (1) permanent easements, and (2) rental contracts with terms of 10-, 15-, or 20-year terms. Enrollment of eligible expiring CRP lands into GRP will be limited to perpetual easements or 20-year rental contracts.

NRCS coordinates most of the “front-end” program administration, including the technical aspects of application evaluation and ranking. NRCS administers and manages the easements. FSA manages the program funds and administers the rental contracts once they have been selected for funding. Applications for rental contracts become contracts once both the landowner(s) and the local FSA County Committee have signed a CCC-920 GRP Contract.

A rental contract consists of the following:

- CCC-920 GRP Contract;
- CCC-920 GRP Contract Appendix;
- A grazing management plan (prepared by NRCS in consultation with the landowner(s);
- A baseline report prepared by NRCS and acknowledged by the landowner(s) to document conditions on the property at the time the contract is made; and
- SF-1199A, Direct Deposit Sign-Up Form.

Easements require all of the above, plus all of the other associated due diligence involved in easement acquisition.

NRCS field offices will screen the applications and score those that pass the screen (see attached screening/ranking tool). All applications are to be sent to the applicable Area Resource Conservationist for Programs (ARC-P) **no later than March 5, 2010**. ARC-Ps will review the applications for completeness and forward to Gary Finstad, Easements Coordinator, **no later than March 10, 2010**.

Highly ranked applications will be selected for program participation as our limited funding allows. This year the NRCS National Office has imposed an initial deadline of April 1, 2010, for obligating all program funds, so we will not likely have the opportunity to do any field-based evaluations of offered acres. The GRP ranking tool has been revised accordingly and attempts to capture as much relevant information as possible without the site visit. All applications will need to be re-scored using the 2010 tool. **Beginning in 2011, we will require that a grazing management plan already be in place in order to participate in the program.** That will allow us to evaluate applications even in the dead of winter. Plans may be developed by staff or by private sector consultants or even using the EQIP Conservation Activity Plan option.

Key implementation features of the Grassland Reserve Program (GRP) are:

- GRP uses a continuous sign-up so applications received after the cut-off date will be accepted and considered for funding in the next funding cycle.
- Applications may be received by either agency but they must be routed to NRCS for processing.
- Application form “NRCS-CPA-1200” must be completed by landowners (even when a cooperating entity is the formal applicant).
- Final award selections will be jointly made by the Colorado NRCS State Conservationist and the Colorado FSA State Executive Director.

- All easement and rental contract payments will be made through FSA.
- NRCS will administer limited funds for conducting due diligence related to easement acquisition (title and environmental record searches, appraisals, surveys, closing fees).

The 2008 Farm Bill changed the easement compensation method for easements for landowner applications. A landowner will be compensated based on the lowest of three values:

- 1) the fair market value of the offered acres encumbered by the easement;
- 2) the Geographic Area Rate Cap (GARC); or
- 3) the landowner offer.

Colorado has decided to order site-specific appraisals to arrive at the first value for each application. Information on the GARC(s) will be forthcoming soon.

For applications submitted by eligible entities (e.g., "land trusts"), the compensation is based on the appraised easement value, which is determined by standard conservation easement appraisal methods (i.e., the difference between the fair market value of a property "before" and "after" the easement is conveyed.)

Rental contracts receive annual compensation (at the end of each contract year) based on 75% of the county's per acre rental rate for grazing, as established by FSA.

For 2010 Colorado has decided to limit individual awards to no more than \$500,000.00.

This announcement also transmits the following items to support program roll-out and application processing:

1. Grassland Reserve Program Fact Sheet-Key Points
2. Draft press release that can be adapted for local newspapers and newsletters
3. Letter template for notifying previous applicants
4. The GRP Conservation Easement Deed
5. FY 2010 GRP Landowner Offer Sheet
6. The 2010 Screening and Ranking Tool

Once applications have been selected for funding, NRCS field staff will work with the landowners to ensure a grazing management plan is in place for the offered acres, as well as to complete a baseline report that will document site conditions at the time an easement is conveyed or a rental contract is made.

The Colorado Grassland Reserve Program contacts for Colorado are:

Natural Resources Conservation Service (NRCS):

- Gary Finstad, Easements Coordinator, Lakewood, CO
- Tim Carney, Assistant State Conservationist for Programs, Lakewood, CO

Farm Service Agency (FSA):

- Billy Merritt, Conservation Program Specialist, Lakewood, CO

If you have questions, please contact Gary, Tim, or Billy.



ALLEN GREEN
State Conservationist, NRCS



TRUDY KAREUS
State Executive Director, FSA

Attachments (6)

cc:

Tim Carney, Assistant State Conservationist for Programs, NRCS, Lakewood, CO

Gary Finstad, Easements Coordinator, NRCS, Lakewood, CO

Billy Merritt, Conservation Program Specialist, FSA, Lakewood, CO